

**uMSHWATHI LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018**

	<b>Note</b>	<b>2018 R</b>	<b>2017 Restated R</b>
<b>ASSETS</b>			
<b>Non - current assets</b>		227 228 477	202 656 469
Property , plant and equipment	5	224 983 878	200 353 118
Intangible Assets	6	2 244 599	2 303 351
<b>Current assets</b>		94 345 324	87 120 227
Receivables: Non-Exchange Transactions	7	44 148 900	35 149 254
Receivables: Exchange Transactions	7	26 027 600	37 008 380
Other debtors	8	7 937 335	6 363 722
Value Added Tax Receivable	4	5 040 472	2 161 471
Call investment deposits	9	9 988 447	5 509 701
Bank balances and cash	10/20	1 202 569	927 698
<b>Total Assets</b>		<b>321 573 801</b>	<b>289 776 695</b>
<b>Non - current liabilities</b>		3 372 069	4 162 462
Long term liabilities	1	982 988	2 004 519
Non-current portion of Long Service Award Liability	2.1	2 389 081	2 157 943
<b>Current liabilities</b>		4 764 500	16 941 905
Creditors	2	1 180 534	8 620 609
Provisions	2.2	2 681 732	2 896 429
Current portion of Finance Lease Obligation	1	-	13 238
Current portion of Long Service Award Liability	2.1	253 885	130 429
Unspent conditional grants and receipts	3	-	1 400 000
Current portion of long term liabilities	1	648 350	3 881 200
<b>Total Liabilities</b>		<b>8 136 570</b>	<b>21 104 366</b>
<b>Net Assets</b>		<b>313 437 232</b>	<b>268 672 329</b>
<b>NET ASSETS</b>			
<b>Net assets</b>		<b>313 437 232</b>	<b>268 672 329</b>
Accumulated surplus		313 437 232	268 672 329
		<b>313 437 232</b>	<b>268 672 329</b>

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**uMSHWATHI LOCAL MUNICIPALITY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2018**

<b>BUDGET</b>			<b>ACTUAL</b>		
<b>2017 R</b>	<b>2018 R</b>	<b>REVENUE</b>	<b>Note</b>	<b>2018 R</b>	<b>2017 Restated R</b>
<b>Revenue from Non-Exchange Transactions</b>					
28 885 000	35 700 000	Property rates	11	36 009 407	28 349 713
1 250 000	-	Property rates - penalties imposed and collection charges		-	1 271 541
92 511 000	92 274 000	Government grants and subsidies	13	92 274 000	87 511 000
28 829 000	39 016 000	Capital Funding	13	39 016 000	28 829 000
<b>151 475 000</b>	<b>166 990 000</b>			<b>167 299 407</b>	<b>145 961 254</b>
<b>Revenue from Exchange Transactions</b>					
1 850 000	1 950 000	Service charges	12	2 151 310	1 913 291
450 000	510 000	Rental of facilities and equipment		682 962	502 294
1 200 000	1 200 000	Interest earned - external investments		1 511 342	1 123 868
8 000 000	8 000 000	Interest earned - outstanding debtors		9 733 370	6 326 938
2 300 000	2 200 000	Income for agency services		2 754 300	2 414 448
423 000	1 777 000	Other income	14	325 847	953 539
<b>14 223 000</b>	<b>15 637 000</b>			<b>17 159 131</b>	<b>13 234 379</b>
<b>165 698 000</b>	<b>182 627 000</b>	<b>Total Revenue</b>		<b>184 458 538</b>	<b>159 195 634</b>
<b>EXPENDITURE</b>					
58 653 000	63 164 000	Employee related costs	15	64 229 205	57 936 750
8 700 000	9 500 000	Remuneration of Councillors	16	9 436 121	8 602 327
-	250 000	Collection costs		111 036	-
11 000 000	12 500 000	Depreciation	5	12 604 173	10 854 589
0	0	Repairs and maintenance		0	0
900 000	1 200 000	Interest paid	17	418 691	836 957
30 281 000	29 358 000	Contracted services	22.6	29 869 531	23 131 465
24 535 000	23 139 000	General expenses	22.6	22 644 941	24 401 889
500 000	500 000	Contribution to Reserves/Provisions		416 395	3 688 727
2 300 000	4 000 000	Contribution to Capital		-	-
<b>136 869 000</b>	<b>143 611 000</b>	<b>Total Expenditure</b>		<b>139 730 093</b>	<b>129 452 704</b>
<b>28 829 000</b>	<b>39 016 000</b>	<b>Surplus for the year</b>		<b>44 728 445</b>	<b>29 742 929</b>

Refer to Appendix E .1 for explanation of variances

uMSHWATHI LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Note	Accumulated Surplus
		R
<b>Balance as per 30 June 2016</b>		243 028 591
Surplus - (deficit) for the year		29 742 931
Prior Year Adjustments: Long Service Award Provision	23	(4 062 736)
<b>Original Balance as at 30 June 2017</b>		<b>268 708 787</b>
Surplus for the year		44 728 445
Prior Year Adjustments	23	-
<b>Balance as at 30 June 2018</b>		<b>313 437 232</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Note</b>	<b>2018 R</b>	<b>2017 Restated R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sales of Goods and Services		40 105 601	30 945 290
Grants		92 274 000	87 511 000
Interest Received		1 511 342	1 123 868
Other Receipts		39 016 000	28 829 000
		<b>172 906 943</b>	<b>148 409 157</b>
<b>Payments</b>			
Employee Costs		(73 665 325)	(66 539 077)
Suppliers		(52 625 509)	(48 712 182)
Interest Paid		(418 691)	(836 957)
		<b>(126 709 525)</b>	<b>(116 088 216)</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>19</b>	<b>46 197 418</b>	<b>32 320 941</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	5	(36 643 119)	(29 598 192)
Purchase of Software	6	(533 063)	(1 486 622)
Investments redeemed/acquired		(4 478 746)	1 688 320
Proceeds from disposal of Assets		-	1 580 913
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(41 654 927)</b>	<b>(27 815 581)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of external loans		(4 254 380)	(4 068 338)
Repayment of finance lease obligations		(13 238)	(146 231)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(4 267 618)</b>	<b>(4 214 569)</b>
<b>NET (DECREASE ) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>274 872</b>	<b>290 791</b>
Cash and cash equivalents at the beginning of the year		927 698	636 907
Cash and cash equivalents at the end of the year	20	1 202 569	927 698
		<b>274 872</b>	<b>290 790</b>

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# Statement of Comparison of Budget and Actual Amounts

## Operational Budget

Prior Year Actual	Details	Original Budget	Adjustments (S 28)	Final Budget	Actual	Variance	Comments
<b>Revenue</b>							
28 349 713	Property Rates	31 000 000	4 700 000	35 700 000	36 009 407	309 407	The increase in net rates is due to the over budget for rebates on Government properties
1 913 291	Service Charges	1 950 000	-	1 950 000	2 151 310	201 310	There were some additional applications for refuse removal during the year
1 123 868	Investment Revenue	1 200 000	-	1 200 000	1 511 342	311 342	Grant funds were invested for a longer period
87 511 000	Grants: Operational	92 274 000	-	92 274 000	92 274 000	-	
11 468 761	Other Revenue	10 487 000	2 000 000	12 487 000	13 496 478	1 009 478	The increase in budgeted other revenue is mainly due to the under budget of arrear interest income.
<b>130 366 633</b>		<b>136 911 000</b>	<b>6 700 000</b>	<b>143 611 000</b>	<b>145 442 538</b>	<b>1 831 538</b>	
<b>Expenditure</b>							
57 936 750	Employee Costs	59 664 000	3 500 000	63 164 000	64 229 205	1 065 205	Certain critical posts that were not budgeted for were filled during the year
8 602 327	Councillor Allowances	9 000 000	500 000	9 500 000	9 436 121	(63 879)	
10 854 589	Depreciation	11 500 000	1 000 000	12 500 000	12 604 173	104 173	
836 957	Interest Paid	1 200 000	-	1 200 000	418 691	(781 309)	The budget for finance charges was over budgeted
42 486 237	Other Expenditure	53 547 000	(800 000)	52 747 000	52 625 509	(121 491)	Certain expenditure that was budgeted for were not incurred due to cost cutting measures.
0	Contribution to Reserves	500 000	-	500 000	416 395	(83 606)	
0	Contribution to Capital	-	-	-	-	-	
<b>120 716 861</b>		<b>135 411 000</b>	<b>4 200 000</b>	<b>139 611 000</b>	<b>139 730 093</b>	<b>119 093</b>	
<b>9 649 772</b>	<b>Surplus</b>	<b>1 500 000</b>	<b>-</b>	<b>4 000 000</b>	<b>5 712 445</b>	<b>1 712 445</b>	

## Capital Budget

	Additions	Under Construction	Total	Budget
<b>Land and Buildings</b>				
Buildings	7 599 885	10 188 316	17 788 200	23 440 000
	<b>7 599 885</b>	<b>10 188 316</b>	<b>17 788 200</b>	<b>23 440 000</b>

<b>Infrastructure</b>					
Construction works		13 228 256	4 025 344	17 253 600	18 076 000
		<b>13 228 256</b>	<b>4 025 344</b>	<b>17 253 600</b>	<b>18 076 000</b>
<b>Other Assets</b>					
Office and computer equipment		698 286		698 286	500 000
Furniture and fittings		0		0	0
Motor vehicles and major equipment		722 860		722 860	800 000
Machinery		180 173		180 173	200 000
Air conditioners		0		0	-
		<b>1 601 319</b>	<b>-</b>	<b>1 601 319</b>	<b>1 500 000</b>
<b>Total</b>		<b>22 429 459</b>	<b>14 213 660</b>	<b>36 643 119</b>	<b>43 016 000</b>
<b>Intangible Assets</b>					
Computer Software		533 063		533 063	0
<b>Total</b>		<b>22 962 521</b>	<b>14 213 660</b>	<b>37 176 181</b>	<b>43 016 000</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>1 LONG TERM LIABILITIES</b>		
Capitalised lease liability		
External loans	1 631 338	5 885 719
	1 631 338	5 885 719
Less current portion transferred to current liabilities	(648 350)	(3 881 200)
	982 988	2 004 519
External loans are made up of loans from the Development Bank of SA and First National Bank as detailed in Appendix A		
<b>Finance Lease Obligation</b>		
Minimum Lease Payment Due		
- within 1 year	-	13 238
	-	13 238
Present Value of minimum lease payments		
- within 1 year	-	13 238
	-	13 238
The lease term is 5 years. The finance charges is recognised as an expense in the statement of financial performance.		
The leased asset, the Jeep Grand Cherokee, is included in Property Plant and equipment in Note 6		
<b>Net Long Term Liabilities</b>		
External Loans	982 988	2 004 519
	982 988	2 004 519
<b>2 CREDITORS</b>		
Trade creditors	2 570 118	4 952 732
National Lottery	144 979	144 979
Unallocated Receipts	91 519	2 162 061
Other creditors - Salary Control	(1 626 082)	1 195 004
Insurance Payment - Burnt Offices	-	165 833
	1 180 534	8 620 609

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>2.1 Provision for Long Service Award</b>		
Non Current Liability for Long Service Award	2 389 081	2 157 943
Current Liability for Long Service Award	253 885	130 429
	<u>2 642 966</u>	<u>2 288 372</u>

An actuarial valuation was done for the provision for Long Service Awards in terms of GRAP 25 and a liability raised accordingly.  
The comparative amounts have been restated accordingly

<b>2.2 Leave Provision</b>		
Opening Balance	2 896 429	2 625 410
Leave Paid	(1 664 636)	(1 298 879)
Unutilised Leave	<b>1 231 793</b>	<b>1 326 531</b>
Current Contribution	1 449 939	1 569 898
Closing Balance	<b>2 681 732</b>	<b>2 896 429</b>

Provision for leave is made for total leave balances for all employees as at 30 June 2018

**3 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

<b>3.1 Conditional grants from other spheres of government</b>	-	-
Total conditional grants and receipts	<u>-</u>	<u>-</u>

<b>MIG</b>		
Opening Balance	-	-
Received During the year	39 016 000	28 829 000
Expended During the year	(39 016 000)	(28 829 000)
Closing Balance	<u>-</u>	<u>-</u>

<b>FMG</b>		
Opening Balance	-	-
Received During the year	1 900 000	1 825 000
Expended During the year	(1 900 000)	(1 825 000)
Closing Balance	<u>-</u>	<u>-</u>



**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018 R</b>	<b>2017 Restated R</b>
<b>Public Works: EPWP</b>		
Opening Balance	-	-
Received During the year	2 065 000	1 313 000
Expended During the year	(2 065 000)	(1 313 000)
Closing Balance	-	-
<b>DoE Funding</b>		
Opening Balance	-	-
Received During the year	3 000 000	5 000 000
Expended During the year	(3 000 000)	(5 000 000)
Closing Balance	-	-
<b>Provincial Grant: Department of Arts and Culture</b>		
Opening Balance	-	-
Received During the year	932 000	2 294 000
Expended During the year	(932 000)	(894 000)
Closing Balance	-	1 400 000
<b>4 VAT Receivable</b>	5 040 472	2 161 471
VAT refundable	<b>5 040 472</b>	<b>2 161 471</b>

VAT is payable on the receipts/payment basis

**5 PROPERTY, PLANT AND EQUIPMENT**

Reconciliation of carrying value	<b>Land and Buildings</b>	<b>Roads Infrastructure</b>	<b>Furniture &amp; Equipment</b>	<b>Vehicles</b>	<b>Machinery &amp; Tools</b>	<b>Total</b>
Carrying value at 1 July 2017						
Cost	121 898 874	135 356 736	8 226 840	9 401 707	2 691 967	277 576 124
Accumulated depreciation						
- Cost	(18 853 653)	(45 824 637)	(5 351 401)	(6 212 567)	(980 749)	(77 223 006)
	103 045 221	89 532 099	2 875 439	3 189 140	1 711 218	200 353 118

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

					<b>2018 R</b>	<b>2017 Restated R</b>
Acquisitions	7 599 885	13 228 256	698 286	722 860	180 173	22 429 459
Capital under construction	10 188 316	4 025 344				14 213 660
Depreciation						
- based on cost	(3 294 021)	(6 347 613)	(1 207 796)	(1 007 825)	(155 102)	(12 012 358)
Disposal: Cost						-
Accumulated Depreciation						-
Correction of Classification of Assets						-
Carrying value at 30 June 2018						
Cost	139 687 075	152 610 336	8 925 125	10 124 567	2 872 140	314 219 243
Accumulated depreciation						
- Cost	(22 147 675)	(52 172 249)	(6 559 197)	(7 220 392)	(1 135 851)	(89 235 365)
	<u>117 539 400</u>	<u>100 438 086</u>	<u>2 365 928</u>	<u>2 904 175</u>	<u>1 736 289</u>	<u>224 983 878</u>
Reconciliation of carrying value	<b>Land and Buildings</b>	<b>Infrastr- ucture</b>	<b>Furniture &amp; Equipment</b>	<b>Vehicles</b>	<b>Machinery &amp; Tools</b>	<b>Total</b>
Carrying value at 1 July 2016						
Cost	89 100 497	139 299 886	7 713 027	8 161 019	2 156 365	246 430 794
Accumulated depreciation						
- Cost	(16 575 552)	(40 459 225)	(4 098 509)	(4 930 370)	(1 196 322)	(67 259 978)
	<u>72 524 944</u>	<u>98 840 661</u>	<u>3 614 518</u>	<u>3 230 649</u>	<u>-</u>	<u>179 170 816</u>
Acquisitions	5 702 101	17 515 293	1 648 650	309 300	535 602	25 710 947
Capital under construction	5 330 529	1 470 972				6 801 500
Depreciation						
- based on cost	(5 365 411)	(2 678 101)	(1 067 971)	(1 282 197)	-20 250	(10 413 931)

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

					<b>2018</b> <b>R</b>	<b>2017</b> <b>Restated</b> <b>R</b>
Disposal: Cost	(1 200 000)		(167 116)			(1 367 116)
Accumulated Depreciation	400 000		50 902			450 902
Correction of Classification of Assets	22 965 748	(22 929 415)	(967 721)	931 388	-	(0)
	2 687 310	(2 687 310)	(235 823)		235 823	(0)
Carrying value at 30 JUNE 2017						
Cost	121 898 874	135 356 736	8 226 840	9 401 707	2 691 967	277 576 124
Accumulated depreciation						-
- Cost	(18 853 653)	(45 824 637)	(5 351 401)	(6 212 567)	(980 749)	(77 223 006)
	<u>103 045 221</u>	<u>89 532 099</u>	<u>2 875 439</u>	<u>3 189 140</u>	<u>1 711 218</u>	<u>200 353 118</u>

Note: Some fully depreciated furniture and equipment is still in use. Their useful lives were correctly determined on acquisition however they are still in a good condition and there was no reason for them to be scrapped. It was decided not to revalue the said assets.  
Refer to Appendix B for more detail on property, plant and equipment

**Assets Under Construction:**

Mbalenhle Creche	Completed in 2017/18	-	366 970
Gwala Road	Completed in 2017/18	-	1 926 730
Housing Infrastructure	Completed in 2017/18	-	9 783 866
D1013	Completed in 2017/18	-	3 266 477
Dalton/Cool Air Stormwater	Completed in 2017/18	-	91 335
New Hanover Sportsfield	Completed in 2017/18	-	1 104 002
Bhamshela Taxi Rank	Work in Progress	1 310 465	
Sicolele Community Hall	Work in Progress	986 763	
Sportsfield	Work in Progress	7 099 532	
Mount Elias Hall	Work in Progress	791 556	
Ndlavaleni Road	Work in Progress	4 025 344	45 987
		<u><b>14 213 660</b></u>	<u><b>16 585 366</b></u>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>6 INTANGIBLE ASSETS</b>		
Software Licences and LAN Network		
Cost: 30 June 2017	3 280 918	1 794 296
Accumulated Amortisation	(977 567)	(536 908)
Carrying Value 01 July 2017	<u><b>2 303 351</b></u>	<u><b>1 257 387</b></u>
Additions - 2017/18	533 063	1 486 622
Amortisation for the year	(591 815)	(440 658)
	<u><b>-58 752</b></u>	<u><b>1 045 964</b></u>
Cost: 30 June 2017	<u><b>3 813 980</b></u>	<u><b>3 280 918</b></u>
Accumulated Amortisation	(1 569 382)	(977 567)
Carrying Amount 30 June 2017	<u><b>2 244 599</b></u>	<u><b>2 303 351</b></u>

The software and network is being amortised over 5 years being its useful life.

**7 CONSUMER DEBTORS**

**Balances at 30 June 2017**

**Receivables from Exchange Transactions**

Service debtors	3 749 029	(731 465)	3 017 564
Sundry Other: Interest and Rental	40 414 249	(17 404 213)	23 010 036
	<u><b>44 163 278</b></u>	<u><b>(18 135 678)</b></u>	<u><b>26 027 600</b></u>

**Receivables from Non-Exchange Transactions**

Rates	63 902 029	(19 753 128)	44 148 900
<b>Total</b>	<u><b>108 065 306</b></u>	<u><b>(37 888 806)</b></u>	<u><b>70 176 500</b></u>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>					<b>2017</b>
	<b>R</b>					<b>Restated</b>
<b>Ageing</b>	<b>( 0 - 30 days)</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>91 - 120 days</b>	<b>&gt; 120 days</b>	<b>Total</b>
	<b>4 388 429</b>	<b>2 875 629</b>	<b>2 039 265</b>	<b>2 023 277</b>	<b>96 738 707</b>	<b>108 065 306</b>
Agriculture	866 928	452 781	326 252	275 379	11 350 460	<b>13 271 800</b>
Commercial	700 047	398 958	313 864	399 795	6 619 850	<b>8 432 513</b>
Government	1 484 102	1 185 651	730 685	707 533	43 882 369	<b>47 990 341</b>
Residential	1 337 353	838 240	668 463	640 569	34 886 029	<b>38 370 653</b>

**Balances at 30 June 2017**

**Receivables from Exchange Transactions**

	<b>Gross balance</b>	<b>Provision for doubtful debts</b>	<b>Net balance</b>
Service debtors	4 228 059	(726 127)	3 501 932
Housing	946 550		946 550
Other: Interest and Rental	49 837 101	(17 277 202)	32 559 899
	<b>55 011 709</b>	<b>(18 003 329)</b>	<b>37 008 380</b>

**Receivables from Non-Exchange Transactions**

Rates	54 758 230	(19 608 976)	35 149 254
<b>Total</b>	<b>109 769 940</b>	<b>(37 612 305)</b>	<b>72 157 635</b>

**Ageing**

	<b>( 0 - 30 days)</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>91 - 120 days</b>	<b>&gt; 120 days</b>	<b>Total</b>
	<b>4 809 181</b>	<b>349 699</b>	<b>1 538 429</b>	<b>1 471 038</b>	<b>101 601 593</b>	<b>109 769 940</b>
Agriculture	547 895	252 396	210 286	210 511	9 105 695	<b>10 326 782</b>
Commercial	532 808	220 809	171 051	172 078	5 248 411	<b>6 345 158</b>
Government	854 580	845 283	745 284	682 943	57 766 491	<b>60 894 580</b>
Residential	2 873 898	-968 789	411 809	405 506	29 480 996	<b>32 203 419</b>

The carrying value of debtors is assumed to approximate its fair value since interest is charged on accounts once gone into arrears. An estimate is made of doubtful debts based on a review of outstanding debtors at year end. The current provision is considered since the bulk of the debtors are rates and Government Departments. The amount owing by government departments is R 47 653 646 (60 600164- 2017), the biggest debt being that owed by the Department Water Affairs, namely, R29 737 218. Debtors have not been discounted since interest is charged on arrear balance on a monthly basis.

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	2018 R	2017 Restated R
<b>8 OTHER DEBTORS</b>		
District Municipality	404 245	404 245
Thokazane housing	1 438 745	1 438 745
Department of Housing	165 332	165 332
Housing Debtors	946 550	-
Debtors: Traffic Fines	24 878	24 878
Balance Brought Forward	24 878	25 100
Fines Issued	546 500	526 200
Payments Received	(26 781)	(16 967)
Impairment based on Historical payment rate	(519 720)	(509 455)
Accrued Interest	49 759	17 163
Acknowledge of Debt	4 417 864	3 823 397
Other creditors - Salary Control	1 626 082	-
Other	489 962	489 962
<b>Total other debtors</b>	<b>7 937 335</b>	<b>6 363 723</b>

**9 CALL INVESTMENT DEPOSITS**

32 day/90 day deposits	9 988 447	5 509 701
	<b>9 988 447</b>	<b>5 509 701</b>

Investments are 32 day and /or 90 day money market accounts. A call account is also held in which the equitable share is transferred when received. Funds are transferred from the call account as and when required.

Bank	Account No.	Amount	
<b>Standard</b>	0536 -1443-4-14	18 213	16 912
<b>Nedbank</b>			
Investment 1	1461827	18 713	17 723
Investment 2	0635053	20 372	19 294
Investment 3	1679521	104 423	98 897

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

		<b>2018</b>	<b>2017</b>
		<b>R</b>	<b>Restated R</b>
<b>FNB</b>			
Investment 1	62101572081	2 540 809	641
Investment 2	62101572172	126 001	119 711
Call Account	62101571710	2 178 446	585 845
Call Account: Housing	62214429799	76 698	72 913
Call Account	74491854045	397 112	372 184
<b>ABSA *</b>			
Investment 1	20- 66260264	4 507 659	4 205 581
		<b>9 988 447</b>	<b>5 509 701</b>

**10 BANK BALANCES AND CASH**

The Municipality has the following bank accounts:  
Current account (Primary bank account)

First National Bank  
Account number - 62025429232

Cash book balance at beginning of year ( overdrawn )	925 034	634 576
Cash book balance at end of year	1 199 906	925 034
Bank statement balance at beginning of year	879 457	585 873
Bank statement balance at end of year	1 199 912	879 457

**11 REVENUE FROM NON EXCHANGE TRANSACTIONS - PROPERTY RATES**

Actual			
Agricultural		4 655 448	8 787 661
Residential		11 036 241	7 087 701
Commercial		6 202 137	3 118 588
Public service infrastructure		1 281 928	7 654 716
State		12 833 654	1 701 048
Total assessment rates		<b>36 009 407</b>	<b>28 349 713</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated R</b>
Gross Rates	61 203 612	56 608 856
Rebates	(25 194 205)	(28 259 143)
Net Rates	<b>36 009 407</b>	<b>28 349 713</b>
Valuations as at 01 July 2017		
Agricultural	4 679 216 000	2 522 223 000
Small Holding	259 293 000	-
Residential	1 250 071 000	888 496 000
Commercial	460 260 000	261 436 000
Public service infrastructure	1 238 863 000	1 128 196 000
State	-	155 243 000
Public Benefit Organisations	101 878 000	-
Places of Worship	43 121 000	-
Other	158 823 000	82 963 000
Total property valuations	<b>8 191 525 000</b>	<b>5 038 557 000</b>
<b>12 REVENUE FROM EXCHANGE TRANSACTIONS - SERVICE CHARGES</b>		
Refuse removal	2 151 310	1 913 291
	<b>2 151 310</b>	<b>1 913 291</b>
<b>13 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	87 377 000	83 479 000
Conditional Grants: Operating	4 897 000	4 032 000
	92 274 000	87 511 000
Conditional Grants: Capital	39 016 000	28 829 000
	<b>131 290 000</b>	<b>116 340 000</b>
FMG	1 900 000	1 825 000
Department of Public Works: EPWP	2 065 000	1 313 000
Department of Arts and Culture	932 000	894 000
Operational Conditional Grants	4 897 000	4 032 000
MIG	39 016 000	28 829 000
Capital Conditional Grants	39 016 000	28 829 000
Total Conditional Grants	<b>43 913 000</b>	<b>32 861 000</b>



**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>14 OTHER INCOME</b>		
Fees: Photocopies	34 700	21 840
Fees: Rates Clearance	17 257	1 316
Interest: Current Account	52 478	87 826
Community Hall	-	91 798
Maintenance	188 248	221 908
Cemetery	4 638	6 228
Fines	28 524	23 757
Gain on Scrapping of Assets	-	498 866
	<b>325 847</b>	<b>953 539</b>

**15 EMPLOYEE RELATED COSTS**

Employee related costs - salaries and wages	43 849 554	39 994 655
Employee related costs - contributions to UIF, pension and medical costs	10 981 985	9 782 072
Travel, vehicle, accommodation, subsistence and other allowances	3 380 117	2 808 178
Housing benefits and allowances	1 141 615	606 416
Overtime payments	155 195	717 878
Standby Allowance (previously included in salaries)	1 071 072	725 510
Bonus	3 138 170	2 817 328
Skills Levy/Bargaining Council	511 497	484 714
<b>Total employee related costs</b>	<b>64 229 204</b>	<b>57 936 746</b>

There were no loans to employees.

**Included in Employee Related costs:**  
**Remuneration of the Municipal Manager**

Remuneration	701 640	662 553
Car allowance	467 766	441 702
	<b>1 169 406</b>	<b>1 104 255</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>Remuneration of the Chief Financial Officer</b>		
Annual remuneration	861 408	804 705
Bonus	16 000	16 000
Car allowance	122 800	139 402
Contributions to Medical and Pension Funds	943	943
	<b>1 001 151</b>	<b>961 050</b>

**Remuneration of other managers**  
**30-Jun-2017**

	<b>Technical</b>	<b>Corporate</b>	<b>Community</b>
	<b>Services</b>	<b>Services</b>	<b>Services</b>
Annual remuneration	804 144	831 996	775 032
Car allowance	155 999	128 147	185 111
Contributions to Medical and Pension Funds	-	-	-
	<b>960 143</b>	<b>960 143</b>	<b>960 143</b>

**30-Jun-2016**

Annual remuneration	750 651	778 503	721 541
Car allowance	156 000	128 148	185 110
Contributions to Medical and Pension Funds	-	-	-
	<b>906 651</b>	<b>906 651</b>	<b>906 651</b>

**16 REMUNERATION OF COUNCILLORS**

Mayor	822 313	780 812
Deputy Mayor	663 131	629 211
Speaker	663 131	629 211
Executive committee members	1 078 254	1 010 904
Councillors	6 128 448	5 476 748
Skills Levy	80 842	75 440
	<b>9 436 121</b>	<b>8 602 327</b>

Being a full time councillors the Mayor, the Deputy Mayor and the Speaker have the use of an office and a council vehicle for official duties

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>17 INTEREST PAID</b>		
External loans	418 691	824 337
Finance leases	-	12 620
	<b>418 691</b>	<b>836 957</b>

**18 OPERATING LEASES - RENTALS: COPIERS**

The municipality has recognised the leases on photocopiers as operating leases and recognised the contractual payments as expenses.

Operating Lease Commitments:

- within 1 year	-	13 238
- within 2nd and 5th year inclusive	-	-
	<b>-</b>	<b>13 238</b>

**19 CASH GENERATED BY OPERATIONS**

Surplus for the year	44 728 445	29 742 929
Depreciation	12 604 173	10 854 589
Contributions to provisions- non-current	416 395	3 688 727
Gain on Scrapping of Vehicle	-	(1 580 913)
Operating surplus before working capital changes	57 749 013	42 705 331
Change in Working Capital	(11 551 595)	(10 384 391)
	<b>46 197 418</b>	<b>32 320 941</b>

**20 BANK BALANCES AND CASH**

Cash and cash equivalents included in the cash flow statement comprise the following amounts:

Cash on Hand	2 664	2 664
Bank balances and cash	1 199 906	925 034
	<b>1 202 569</b>	<b>927 698</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>21 RELATED PARTY TRANSACTIONS</b>		
22.1 There were no related party transactions in the current year.		
<b>22 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>22.1 Audit fees</b>	1 413 159	1 017 466
<b>22.2 VAT</b>		
Opening balance	2 161 471	2 368 301
Current year output VAT	(803 122)	(694 762)
Current year input VAT	9 044 442	7 604 105
Amount refunded by SARS - current	(5 391 327)	(7 116 172)
Amount due from SARS	<u><u>5 011 464</u></u>	<u><u>2 161 471</u></u>
<b>22.3 PAYE and UIF</b>		
Current year payroll deductions and Council UIF contributions	9 496 372	8 392 234
Amount paid - current year	9 496 372	8 392 234
<b>22.4 Pension and medical aid deductions</b>		
Current year payroll deductions and Council contributions	15 931 450	13 484 920
Amount paid - current year	15 931 450	13 484 920
<b>22.5 Councillors arrear consumer accounts</b>		
No Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2016		

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

		<b>2018</b>	<b>2017</b>
		<b>R</b>	<b>Restated R</b>
<b>22.6 General Expenses: Detail</b>			
Advertisements	Contracted Services	194 621	231 807
EAP	Contracted Services	62 544	290 691
FBS & FBE	Contracted Services	1 206 082	1 134 056
Housing Plan	Contracted Services	-	60 733
Induction and Team Building	Contracted Services	151 950	5 425
Information Technology	Contracted Services	3 085 821	2 168 625
Insurance	Contracted Services	547 374	573 814
Internal Audit	Contracted Services	385 657	118 490
Job Evaluation	Contracted Services	116 907	-
LED Projects	Contracted Services	896 873	880 347
Legal Expenses	Contracted Services	492 523	413 752
Machinery: Cemeteries	Contracted Services	-	36 097
mScoa Support	Contracted Services	960 297	-
Plant Hire	Contracted Services	241 542	56 056
Postage & Stamps	Contracted Services	185 924	117 656
Pound	Contracted Services	120 385	380 237
Preparation of various Plans	Contracted Services	308 456	653 931
Refuse Removal	Contracted Services	937 815	701 722
Rental: Copiers	Contracted Services	857 534	564 344
Repairs and Maintenance	Contracted Services	14 184 561	8 735 844
Review of LUMS	Contracted Services	147 335	-
Review of SDF	Contracted Services	600 230	-
Security	Contracted Services	2 156 646	2 809 984
Subscriptions	Contracted Services	691 476	624 742
Tools	Contracted Services	-	3 473
Town Planning	Contracted Services	24 904	129 354
Training	Contracted Services	957 729	1 421 482
Valuation Fees	Contracted Services	354 347	1 018 803
<b>Contracted Services</b>		<b>29 869 531</b>	<b>23 131 465</b>
Arts and Culture		186 268	580 076
Audit Fee: External		1 413 159	1 017 466
Awareness Projects		4 399	16 366

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated R</b>
Bank Charges	97 328	107 263
Batho Pele	-	1 981
Bursaries	487 633	286 992
Chemicals and Oil Dispersants	-	83 060
Communication: Budget Process	819 990	836 387
Community Projects: Children	167 929	125 448
Community Projects: Gender Empowerment	357 912	534 162
Community Projects: HIV/AIDS	470 248	791 113
Community Projects: Monyetla	1 080 964	529 702
Community Projects: People Living with Disability	38 956	148 624
Community Projects: Senior Citizens	160 921	312 765
Conferences & Seminars	124 460	619 390
Consulting Fees	145 916	45 163
Crime Prevention	21 539	203 979
Disaster Management	364 764	312 394
Entertainment	-	20 921
Hospitality/Mayor's Outreach Program	8 672	81 047
IDP Review	456 250	613 921
Law Enforcement	3 311	106 245
Levy Research	11 923	-
Materials	970 929	270 913
Occupational Health and Safety	874 876	862 034
Office Equipment	-	84 361
Pauper Burials	67 657	59 986
Printing and Stationery	487 158	320 240
Purchases: Electricity	2 361 874	1 776 941
Reference Books and Periodicals	-	4 514
Refreshments	88 840	256 900
Social Empowerment	44 786	1 390 265
Special Projects	6 806	177 296
Sports Promotion	1 042 928	1 457 561
Subsistence and Travelling	1 540 009	2 640 988
Sundries	-	8 745

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated R</b>
Telephones	3 548 463	2 076 469
Transport/Vehicle Cost	2 700 791	3 240 993
Ward Committees	1 709 985	1 681 368
Workmen's Compensation	80 456	5 292
Youth Desk	696 838	712 558
<b>General Expenses</b>	<b>22 644 941</b>	<b>24 401 889</b>
<b>Total</b>	<b>52 514 473</b>	<b>47 533 354</b>

**22.7 Reclassifications**

**Fines have been reclassified as fines under other income in the statement of financial performance**

Traffic Fines	26 781	16 745
Library Fines	1 743	7 012
	<b>28 524</b>	<b>23 757</b>

**Subsistence and Travelling included in General Expenses**

Accommodation	1 205 121	2 285 308
Car Rental	94 964	136 287
Flights	151 983	166 486
Incidental	52 435	-
Own Transport	35 505	52 908
	<b>1 540 009</b>	<b>2 640 988</b>

**Repairs and Maintenance has been reclassified and included in Contracted Services in the statement of Financial Performance**

Road Maintenance		
Maintenance	4 209 036	2 174 645
Materials	2 282 801	-
Plant and Machinery	3 036 519	1 488 745
	<b>9 528 356</b>	<b>3 663 390</b>

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	2018 R	2017 Restated R
Building Maintenance		
Creches	422 284	-
Halls	2 590 717	4 847 158
Electrification	842 514	-
Office Buildings	153 284	-
Taxi Rank	484 541	-
	<b>4 493 340</b>	<b>4 847 158</b>
Equipment Maintenance	32 670	41 938
Plant Maintenance	130 195	183 358
	<b>162 865</b>	<b>225 296</b>
<b>Total Repairs and Maintenance</b>	<b>14 184 561</b>	<b>8 735 844</b>

**22.8 Bank Accounts held by the Municipality**

Bank	Type	A/C No.	2018		2017	
			Opening	Closing	Opening	Closing
FNB - Primary Bank Account	Chq	62025459232	879 457	879 457	585 873	879 457
			<b>879 457</b>	<b>879 457</b>	<b>585 873</b>	<b>879 457</b>
Standard Bank	Inv	0536-1443-4-14	16 912	18 213	15 254	16 912
Nedbank	Inv	1461827	17 723	18 713	16 656	17 723
Nedbank	Inv	0635053	19 294	20 372	18 132	19 294
Nedbank	Inv	1679521	98 897	104 423	92 945	98 897
FNB	Inv	62101572081	641	2 540 809	222 601	641
FNB	Inv	62101572172	119 711	126 001	113 432	119 711
FNB	Inv	62101571710	585 845	2 178 446	1 276 796	585 845
FNB	Inv	62214429799	72 913	76 698	69 132	72 913
FNB	Inv	74491854045	372 184	397 112	1 518 173	372 184
ABSA	Inv	20-6626-0264	4 205 581	4 507 659	3 854 899	4 205 581
			<b>5 509 701</b>	<b>9 988 447</b>	<b>7 198 020</b>	<b>5 509 701</b>

**23 PRIOR YEAR ERROR**

None



**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>Restated</b>
		<b>R</b>
<b>24 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
- approved and contracted for		
Infrastructure	10 529 933	4 607 834
	<b>10 529 933</b>	<b>4 607 834</b>
This expenditure will be financed from		
Revenue	-	-
Government Grants	10 529 933	4 607 834
	<b>10 529 933</b>	<b>4 607 834</b>
- approved but not yet contracted for		
Infrastructure	18 200 000	15 916 000
Community	10 100 000	23 100 000
Plant	750 000	1 000 000
Furniture	750 000	-
Vehicles	1 792 000	-
Computer Equipment	1 250 000	500 000
	<b>32 842 000</b>	<b>40 516 000</b>
This expenditure will be financed from		
Revenue	5 744 000	1 500 000
Government Grants	27 098 000	39 016 000
	<b>32 842 000</b>	<b>40 516 000</b>
<b>25 RETIREMENT BENEFIT INFORMATION</b>		
Certain Councillors and Certain employees belong to defined benefit plan of the Natal Joint Superannuation and Retirement funds, and the Municipal Councillors' Pension Fund. Employees of uMshwathi make up less than 1 % of the total members of the funds. uMshwathi's liability in these funds could not be determined owing mainly to the assets not being allocated to each Municipality and one set of financials being prepared for each fund and not per municipality. These funds are subject to a triennial actuarial valuation. The last statutory valuation was performed in March 2015 on the Retirement and Provident Funds and in March 2014 on the Superannuation Fund. An interim valuation of the Superannuation fund was done in March 2015.		
Current Year's Contribution	10 431 305	9 090 555

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

<b>2018</b>	<b>2017</b>
<b>R</b>	<b>Restated R</b>

**25.1 SUPERANNUATION FUND**

The actuarial value of total assets was R10 113.227 million at the actuarial date.

- 25.1.1. surplus of R 0.00 million in respect of pensioners (funding level 100.0%)
- 25.1.2. surplus of R 0.00 million in respect of members (funding level 100 %)
- 25.1.3. the fund was thus 100,0% funded
- 25.1.4. the fund did not hold an investment reserve.
- 25.1.5. the total contribution rate payable, including the surcharge by and on behalf of members, exceeded that required for future service by 1,41% of member's pensionable emoluments
- 25.1.6. An additional contribution by way of a surcharge amounting to 9.5% of salaries is currently in place to fund the deficit. This surcharge will build up the Solvency Reserve.

**25.2 RETIREMENT FUND**

The actuarial value of total assets was R3 650.776 million at the actuarial valuation date

- 25.2.1. surplus of R 0.00 in respect of pensioners (funding level 100,0%)
- 25.2.2. deficit of R 148.694 million in respect of members (funding level 91.1%)
- 25.2.3. the fund was thus 96.1 funded
- 25.2.4. the fund did not hold an investment reserve
- 25.2.5. the total contribution rate payable will include a surcharge of 17.5% payable to reduce the deficit in the fund.

**25.3 PROVIDENT FUND**

The actuarial value of total assets was R2 636.064 million at the actuarial valuation date.

- 25.2.1. surplus/deficit of R 0.00 and the funding level is 107.4%
- 25.2.3. the fund was thus 107.4 funded
- 25.2.4. the fund did not hold an investment reserve

**uMSHWATHI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

<b>2018</b>	<b>2017</b>
<b>R</b>	<b>Restated</b>
<b>R</b>	<b>R</b>

**26 CONTINGENT LIABILITIES**

None

**27 RISK MANAGEMENT**

The municipality's activities expose it to a variety of financial risks: market risk ( fair value interest rate risk and cash flow interest rate risk) credit risk and liquidity risk. The municipality has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. Internal Audit function reports quarterly to the Audit Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures. The risk management process relating to each of these risks is discussed under the headings below.

**Liquidity risk**

The entity manages liquidity risk through proper management of working capital, capital expenditure and actual forecast cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained.

**Interest rate risk**

As the municipality has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

**Note 29**

**Deviation Register**

The following is a list of expenditure for which there was a deviation from the normal SCM process in that three quotations or more were not received although three or more quotations were requested.

NO.	UNIQUE NO.	DATE REQUESTED	DEPARTMENT	REASONS FOR DEVIATING	DEVIATION MEMO APPROVED	DATE DEVIATION APPROVED	COMPANY AWARDED	AMOUNT
1	1116	12/6/2017	Corporate Services	Exceptional Circumstance	Datacentrix	65 980.92	4400/4428/0102	Datacentrix was appointed for server installation and we appoint them to install the SAN into the server that was installed by the Datacentrix.
2	1120	19/07/2017	Corporate	Exceptional Circumstance	Syabonga Mhlongo	15 000.00	O1299-2/IE00571/F0041	REQUISITION for tent was Done And replaced by requisition for Motivational Speaker Sya Mhlongo.
3	950	10/7/2017	Community services	Exceptional Circumstance	Afri Roads	50 000.00	4400/4451/1011	Truck went for service for four days due to major repairs. We had to Hire Afri roads four days.
4	951	10/7/2017	Community services	Exceptional Circumstance	Isidingo Sabantu Bor	8 800.00		Additional of Food Packs due Huge Number of People Attended the event during that time.
5	1121	13/09/2017	Corporate	Exceptional Circumstance	Gijima Technology	127 572.98	O0001/IE00778/F0041/x046	Replacement of PABX system by Gijima Technology. The current PABX system is out of dated.
6	1206	18/09/2017	Finance Services	Exceptional Circumstance	Arch Actuarial Consu	10 830.00	O0001/IE00830/F0041	Supplier performed Valuation of long services award last time for uMshwathi then we were appointed them Because they had all of the Municipality Personnel Data.
7	1210	6/11/2017	Community Service	Single Provider	Optron	23 199.00	O1264-5/IE00694/F0041/X019	Only Single provider who supply Trimble Juno 5 handheld.
8	1011	10/11/2017	Community Service	Exceptional Circumstance	Mncwabe Printers	148 904.10	O1333-2/IE00666/F0041	Quotations received did not meet 07 days of advert.
9	1013	18/12/2017	Technical Services	Exceptional Circumstance	Norton Rose Fulbright	18 240.00	O0001/IE00008/F0041	Service rendered for regional Sportfield Matter. Related to drawing up of documents for transfer of Land
10	1014	8/1/2018	Technical Services	Exceptional Circumstance	ECA Electrical Contr	1 102.88	O2391-14/IE00534/F0041/X11	Repairing of Deputy Mayor Fridge, Fridge was Faulty and damaging the office floor.
11	1015	17/01/2018	Technical Services	Emergency	Norton Rose Fubright	1 938.00	O0001/IE00008/F0041/X046	Payment to the Service Provider for dealing with issues of Sport field Land, It's was urgently needed to be resolved.

NO.	UNIQUE NO.	DATE REQUESTED	DEPARTMENT	REASONS FOR DEVIATING	DEVIATION MEMO APPROVED	DATE DEVIATION APPROVED	COMPANY AWARDED	AMOUNT
12	1133	22/02/2018	MM	Exceptional Circumstance	Xaba Attorneys	62 169.25	O0001/IE00008/F0041/X046	Xaba Attorneys was appointed in a matter of emergency for legal services as there is no panel of attorneys approved by Accounting Officer.
13	1134	13/03/2018	Corporate Service	Exceptional Circumstance	Datacentrix (Pty)Ltd	10 830.00	C0086-2/IA04939/F0041	Datacentrix previously installed firewall for us.If we appoint new service provider Its will compromise our server.
14	344	28/03/2018	MM	Exceptional Circumstance	Lihle and Lethu	8 100.00	O1243-5/IE00573/F0041/X045	Urgent request for catering during the funeral that was held at Efaye location for the School Childrens Died in an accident.
15	344	28/03/2018	MM	Exceptional Circumstance	Sinup Trading (PTY)	8 100.00	O1243-5/IE00573/F0041/X045	Urgent request for catering during the funeral that was held at Efaye location for the School Childrens Died in an accident.
16	1020	11/4/2018	Corporate Services	Emergency	Dalton Builders	68 425.00	O2391-14/IE00534/F0041	Drainage was damaged and the road destroyed. Local Service provider was requested to fix/ solve the problem urgently.
17	403	1/12/2017	Community Services	Exceptional circumstance	Sinup trading	3 000.00	O12444/IE00694/F0041/X024	Urgent request for service provider to supply a tent
18	403	1/12/2017	Community Services	Exceptional circumstance	Sinup trading	2 500.00	O12444/IE00694/F0041/X025	Urgent request for service provider to supply a sound system
19	408	27/03/2018	Community Services	Exceptional circumstance	Chili-S Trading Enter	25 080.00	O0017-1IE00534/F0041/X1321/1001	We were notified by the IEC a day before that the area they were going to use to erect the voting station was not prepared: Service provider were appointed to avoid risks of public liability.
20	407	27/03/2018	Community Services	Exceptional circumstance	Vukatshaba Trading	12 540.00	O0017-1IE00534/F0041/X1321/1001	We were notified by the IEC a day before that the area they were going to use to erect the voting station was not prepared: Service provider were appointed to avoid risks of public liability.
21	406	27/03/2018	Community Services	Exceptional circumstance	Lihle & Lethu (PTY) L	25 080.00	O0017-1IE00534/F0041/X1321/1001	We were notified by the IEC a day before that the area they were going to use to erect the voting station was not prepared: Service provider were appointed to avoid risks of public liability.
22	1136	14/05/2018	Corporate Services	Exceptional circumstance	Famely Business	21 120.00	O0001IE00769/F0041/x046	Emergency Repair of Fibre Modules and Replacement of fibra media convertors at tusong centre.

NO.	UNIQUE NO.	DATE REQUESTED	DEPARTMENT	REASONS FOR DEVIATING	DEVIATION MEMO APPROVED	DATE DEVIATION APPROVED	COMPANY AWARDED	AMOUNT
23	1137	12/6/2018	Corporate Services	Exceptional Circumstance	Nashua PMB	920.00	O1273-10/IE00650/F0041/X132/R1320	Nashua was requested to assist over the weekend to repair photocopying machine since there was a huge number of Agenda's to be printed.
24	,1382	16.02.2018	Finance Services	Exceptional Circumstance	Duyaza Construction	11 489 806.44		The tender closer date was less than 30 days as the work the project needed to be started as soon as possible due to MIG funds to be spent. It was impractical or impossible to follow the official procurement process.
25	1138	19/06/2018	Corporate Services	Exceptional Circumstance	Edelnet CC	10 529.70	O0001/IE00769/F0041/X046/X046	Installation of Specialised configuration, Edelnet cc is the only service provider available nearby, that can activate ICASA licencing on the devices. It's a reputable company that cannot put our network on risk.
Total Deviation for the Year ending 30 June 2018						12 219 768.27		

#### Irregular Expenditure

	2017	2016
Opening Balance	3 133 955.00	3 133 955.00
Deviations -		
current year	12 219 768	12 117 902.60
Condonement	(12 219 768)	(12 117 902.60)
Discovered		
during the audit	0.00	0.00
Closing Balance	3 133 955.00	3 133 955.00

#### UNAUTHORISED OR FRUITLESS AND WASTEFUL EXPENDITURE

There were no Unauthorised or Fruitless and Wasteful Expenditure.

### Note 30

## Reconciliation of Actual and Budget Information

Details	Original Budget	Adjustments (S 28)	Final Budget	Actual	Unauthorised Expenditure	Variance	Actual as % of Final Budget	Actual as % of Original Budget
<b>Revenue</b>								
Property Rates	31 000 000	4 700 000	35 700 000	36 009 407		309 407	101%	116%
Service Charges	1 950 000	-	1 950 000	2 151 310		201 310	110%	110%
Investment Revenue	1 200 000	-	1 200 000	1 511 342		311 342	126%	126%
Grants: Operational	92 274 000	-	92 274 000	92 274 000		-	100%	100%
Other Revenue	10 487 000	2 000 000	12 487 000	13 496 478		1 009 478	108%	129%
	<b>136 911 000</b>	<b>6 700 000</b>	<b>143 611 000</b>	<b>145 442 538</b>	<b>-</b>	<b>1 831 538</b>	<b>101%</b>	<b>106%</b>
<b>Expenditure</b>								
Employee Costs	59 664 000	3 500 000	63 164 000	64 229 205		1 065 205	102%	108%
Councillor Allowances	9 000 000	500 000	9 500 000	9 436 121		(63 879)	99%	105%
Depreciation	11 500 000	1 000 000	12 500 000	12 604 173		104 173	101%	110%
Interest Paid	1 200 000	0	1 200 000	418 691		(781 309)	35%	35%
Other Expenditure	53 547 000	(800 000)	52 747 000	52 625 509		(121 491)	100%	98%
Contribution to Reserves	500 000	-	500 000	416 395		(83 606)	0%	0%
Contribution to Capital	-	-	-	-		-		
	<b>135 411 000</b>	<b>4 200 000</b>	<b>139 611 000</b>	<b>139 730 093</b>	<b>-</b>	<b>119 093</b>	<b>100%</b>	<b>103%</b>

Surplus/Deficit	1 500 000	2 500 000	4 000 000	5 712 445	-	1 712 445
Capital Funding Recognised				37 176 181	Budgeted Surplus	4 000 000
Internal Funding for Capex						
Total Capex				37 176 181		

**APPENDIX A (Not Audited)**

**uMSHWATHI LOCAL MUNICIPALITY : SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2018**

<b>EXTERNAL LOANS</b>	<b>Loan Number</b>	<b>Interest rate</b>	<b>Redeemable</b>	<b>Balance at 30-Jun-17</b>	<b>Received during the year</b>	<b>Redeemed or written off during the year</b>	<b>Balance at 30-Jun-18</b>
				<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
ANNUITY LOAN							
FIRST NATIONAL BANK	2	Prime less 1,00 %	3/31/2018	2 901 044	-	1 269 706	1 631 338
DEVELOPMENT BANK	1	9,4 %	4/30/2020	2 984 674	-	2 984 674	-
<b>TOTAL EXTERNAL LOANS</b>				<b>5 885 719</b>	<b>-</b>	<b>4 254 380</b>	<b>1 631 338</b>



**APPENDIX B (Not Audited)**  
**uMSHWATHI LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2018**

	Cost/ Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2018
	Opening Balance	Additions	Under Construction	Disposal	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land	11 657 994				11 657 994	425 953			425 953	11 232 041	
Buildings	104 982 827	7 599 885	10 188 316		122 771 027	18 427 700	3 294 021		21 721 722	101 049 306	23 440 000
	116 640 821	7 599 885	10 188 316	-	134 429 022	18 853 653	3 294 021	-	22 147 675	112 281 347	23 440 000
Infrastructure											
Electrification reticulation	4 776 947				4 776 947	-			0	4 776 947	-
Construction works	135 801 510	13 228 256	4 025 344		153 055 110	45 824 639	6 347 613		52 172 251	100 882 858	18 076 000
	140 578 457	13 228 256	4 025 344	-	157 832 057	45 824 639	6 347 613	-	52 172 251	105 659 806	18 076 000
Other Assets											
Office and computer equipment	5 198 761	698 286			5 897 047	3 007 880	871 419		3 879 299	2 017 747	500 000
Furniture and fittings	3 819 417				3 819 417	2 257 451	336 377		2 593 829	1 225 589	-
Tools	71 889				71 889	68 257			68 257	3 632	-
Motor vehicles and major equipment	8 470 319	722 860			9 193 179	6 212 567	1 007 825		7 220 392	1 972 787	800 000
Machinery	2 482 060	180 173			2 662 233	774 773	155 102		929 876	1 732 357	200 000
Air conditioners	176 384				176 384	86 069			86 069	90 314	-
Other	138 018				138 018	137 718			137 718	300	-
	20 356 848	1 601 319	-	-	21 958 167	12 544 716	2 370 724	-	14 915 440	7 042 727	1 500 000
Total	277 576 127	22 429 459	14 213 660	-	314 219 245	77 223 008	12 012 358	-	89 235 366	224 983 879	43 016 000
Intangible Assets											
Computer Software	3 280 918	533 063			3 813 981	977 567	591 815		1 569 382	2 244 599	-
Total	280 857 045	22 962 521	14 213 660	-	318 033 226	78 200 575	12 604 173	-	90 804 748	227 228 478	43 016 000

**APPENDIX C (Not Audited)**

**uMSHWATHI LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2018**

	Cost/ Revaluation						Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposal	Closing Balance		Opening Balance	Additions	Disposals	Closing Balance	
Executive and Council	29 590 947	1 421 147			31 012 093		6 623 809	2 215 621		8 839 430	22 172 663
Finance and Admin	22 212 308				22 212 308		7 066 153			7 066 153	15 146 155
Health	72 820				72 820		72 819			72 819	1
Community & Social Services	82 453 681	7 599 885	10 188 316		100 241 882		17 605 014	3 294 021		20 899 035	79 342 847
Public Safety	852 806				852 806		527 040			527 040	325 766
Waste Management	2 553 330				2 553 330		82 806			82 806	2 470 524
Road Transport	138 473 666	13 408 429	4 025 344		155 907 439		44 110 699	6 502 715		50 613 414	105 294 025
Other	1 366 569				1 366 569		1 134 668			1 134 668	231 901
	<b>277 576 127</b>	<b>22 429 460</b>	<b>14 213 660</b>	<b>0</b>	<b>314 219 247</b>		<b>77 223 008</b>	<b>12 012 358</b>	<b>0</b>	<b>89 235 365</b>	<b>224 983 881</b>
Intangible Assets	3 280 918	533 063			3 813 981		977 567	591 815		1 569 382	2 244 599
	<b>280 857 045</b>	<b>22 962 522</b>	<b>14 213 660</b>	<b>0</b>	<b>318 033 227</b>		<b>78 200 575</b>	<b>12 604 172</b>	<b>0</b>	<b>90 804 747</b>	<b>227 228 480</b>

**APPENDIX D (Not Audited)**

**uMSHWATHI LOCAL MUNICIPALITY : SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018			2017		
	Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R	Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R
Executive and Council	92 991 662	35 348 768	57 642 893	88 534 000	33 188 875	55 345 125
Finance and Admin	47 323 855	52 643 381	-5 319 526	37 161 202	50 379 193	(13 217 991)
Community & Social Services	2 513 270	26 409 092	-23 895 823	2 519 265	19 831 300	(17 312 035)
Public Safety	274 192	5 394 532	-5 120 339	16 967	323 925	(306 959)
Waste Management	2 151 310	1 319 121	832 189	1 913 291	782 002	1 131 289
Road Transport	42 204 248	21 615 198	20 589 050	29 050 908	24 947 409	4 103 500
<b>Sub - total</b>	<b>187 458 538</b>	<b>142 730 093</b>	<b>44 728 445</b>	<b>159 195 633</b>	<b>129 452 704</b>	<b>29 742 929</b>

**APPENDIX E (1) (Not Audited)**  
**uMSHWATHI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET ( REVENUE AND EXPENDITURE ) FOR THE YEAR ENDED 30 JUNE 2018**

<b>REVENUE</b>	<b>2018 Actual R</b>	<b>2018 Budget R</b>	<b>2018 Variance R</b>	<b>2018 Variance %</b>	<b>Explanation of significant variances</b>
Property rates	36 009 407	35 700 000	309 407	1%	The increase in net rates is due to the over budget for rebates on Government Properties
Service charges	2 151 310	1 950 000	201 310	10%	There were some additional applications for refuse removal during the year
Rental of facilities and equipment	682 962	510 000	172 962	34%	There was an increase in tenants taking up space at the Thusong Centre
Interest earned - external investments	1 511 342	1 200 000	311 342	26%	Grant funds were invested for longer than anticipated
Interest earned - outstanding debtors	9 733 370	8 000 000	1 733 370	22%	The increase in interest id due to the culture of non-payment of municipal accounts by the community leading to the debt owed to the municipality increasing
Income for agency services	2 754 300	2 200 000	554 300	25%	There has been an increase in the intake of learner licences and driver licence renewals
Government grants and subsidies	92 274 000	92 274 000	-	0%	
Other income	325 847	1 777 000	(1 451 153)	-82%	The main reason for the increase is the recognition of the roll over of funds from the previous year
MIG Funds	39 016 000	39 016 000	-	0%	
<b>Total Revenue</b>	<b>184 458 538</b>	<b>182 627 000</b>	<b>1 831 538</b>	<b>1</b>	
<b>EXPENDITURE</b>	<b>2018 Actual R</b>	<b>2018 Budget R</b>	<b>2018 Variance R</b>	<b>2018 Variance %</b>	
Employee related costs	64 229 205	63 164 000	1 065 205	2	Certain critical posts that were not budgeted for were filled during the year
Remuneration of Councillors	9 436 121	9 500 000	(63 879)	(1)	
Depreciation	12 604 173	12 500 000	104 173	1	
Interest paid	418 691	1 200 000	(781 309)	(65)	The budget for finance charges was over budgeted
Contracted services	29 869 531	29 358 000	511 531	2	Certain expenditure that was budgeted for were not incurred.
General expenses	22 755 978	23 389 000	(633 022)	(3)	Certain expenditure that was budgeted for were not incurred.
Contribution to Reserves	416 395	500 000	(83 606)	(17)	
Capital Contribution	-	4 000 000			
<b>Total Expenditure</b>	<b>139 730 093</b>	<b>143 611 000</b>	<b>119 093</b>	<b>0</b>	
<b>Surplus (Deficit) for the year</b>	<b>44 728 445</b>	<b>39 016 000</b>	<b>1 712 445</b>		

**APPENDIX E ( 2 ) (Not Audited)**

**uMSHWATHI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY. PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018 Additions R</b>	<b>2018 Under Construction R</b>	<b>2018 Total Additions R</b>	<b>2018 Budget R</b>	<b>2018 Variance R</b>	<b>2018 Variance %</b>	<b>Explanation of significant variances</b>
Construction works	10 342 639	4 025 344	14 367 983	14 576 000	(208 017)	(1)	
	<b>10 342 639</b>	<b>4 025 344</b>	<b>14 367 983</b>	<b>14 576 000</b>	<b>(208 017)</b>		
<b>Community Assets</b>							
Buildings	10 485 501	10 188 316	20 673 817	26 940 000	(6 266 183)	(23)	There was a delay in the implementation of some of the projects
	<b>10 485 501</b>	<b>10 188 316</b>	<b>20 673 817</b>	<b>26 940 000</b>	<b>(6 266 183)</b>		
<b>Other Assets</b>							
Office and accounting machines	694 331	-	694 331	500 000	194 331	39	Certain computer equipment were needed to be repalced urgently
Furniture and fittings	3 954	-	3 954	-	3 954		
Machinery	180 173	-	180 173	200 000	(19 827)	(10)	
Vehicles	722 860	-	722 860	800 000	(77 140)	(10)	
Intangibles	533 063	-	533 063	-	533 063		Software for distribution of agendas was purchased which was not budgeted for
	<b>2 134 381</b>	<b>-</b>	<b>2 134 381</b>	<b>1 500 000</b>	<b>634 381</b>		
<b>Total</b>	<b>22 962 521</b>	<b>14 213 660</b>	<b>37 176 181</b>	<b>43 016 000</b>	<b>(5 839 819)</b>	<b>(14)</b>	

**APPENDIX F to Annual Financial Statements as at 30 June 2018 (Not Audited)**

**UMSHWATHI LOCAL MUNICIPALITY - DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003**

Description	Name of organ of State	Unspent balance at 1 July 2017	Received 2017/18	Expenditure 2017/18	Transfer 2017/18	Unspent balance at 30 June 2018	Compliance with grant conditions	Conditions of Grant
		R	R	R	R	R	YES/NO	
MIG	National Government	-	39 016 000	(39 016 000)	-	-	YES	Expenditure to be in terms of projects registered
Dept. of Arts & Culture	Dept. of Arts & Culture	-	932 000	(932 000)		-	YES	
Department of Energy	Department of Energy	-	3 000 000	(3 000 000)		-	YES	
Department of Public Works: EPWP	Dept of Public Works: EPWP	-	2 065 000	(2 065 000)		-	YES	
FMG	National Government	-	1 900 000	(1 900 000)		-	YES	Expenditure in terms of Implementation Plan submitted
		-	46 913 000	(46 913 000)	-	-		

## Trial Balance 30 June 2017

Vote	Description	Description	Debits	Credits	Link to AFS
950/001	PROPERTY, PLANT AND EQUIPMENT	R&G: EXTERN.FINANCE FUND	0.00	0.00	(1)
950/002	PROPERTY, PLANT AND EQUIPMENT	R&G : CAPITALISATION RESERVE	0.00	0.00	(1)
950/003	PROPERTY, PLANT AND EQUIPMENT	R&G:GOVT. GRANT RESERVE	0.00	0.00	(1)
950/004	PROPERTY, PLANT AND EQUIPMENT	R & G: LEASE AGREEMENTS	0.00	0.00	
950/005	PROPERTY, PLANT AND EQUIPMENT	R & G:REVENUE CONTRIBUTION	303 561 540.89	0.00	(1)
950/201	PROPERTY, PLANT AND EQUIPMENT	WATER:EXTERNAL FINANCE	0.00	0.00	
950/202	PROPERTY, PLANT AND EQUIPMENT	WATER:STATUTORY FUNDS	0.00	0.00	
950/203	PROPERTY, PLANT AND EQUIPMENT	WATER:NON DISTR.RESERVE	0.00	0.00	
950/204	PROPERTY, PLANT AND EQUIPMENT	WATER:LEASE AGREEMENTS	0.00	0.00	
950/205	PROPERTY, PLANT AND EQUIPMENT	WATER:REVENUE CONTRIBUTION	0.00	0.00	
950/601	PROPERTY, PLANT AND EQUIPMENT	TS.DEV.:EXTERNAL FINANCE	0.00	0.00	
950/602	PROPERTY, PLANT AND EQUIPMENT	TS.DEV.:STATUTORY FUNDS	0.00	0.00	(1)
950/603	PROPERTY, PLANT AND EQUIPMENT	TS DEV:GOVT.GRANT RESERVE	0.00	0.00	(1)
950/901	PROPERTY, PLANT AND EQUIPMENT	HOUS.SELLING:EXTERN.FINANCE	0.00	0.00	
950/902	PROPERTY, PLANT AND EQUIPMENT	HOUS.SELL.:STATUTORY FUNDS	0.00	0.00	
950/903	PROPERTY, PLANT AND EQUIPMENT	HOUS.SELL.:NON DISTR.RESERVE	0.00	0.00	
			<b>303 561 540.89</b>	<b>0.00</b>	
951/001	ADVANCES AND RESERVES	ADVANCE EX EFF	0.00	0.00	Contra
951/002	ADVANCES AND RESERVES	R&G:CAPITALISATION RESERVE	0.00	-379 881.55	(15)
951/003	ADVANCES AND RESERVES	R&G:GOVT.GRANT RESERVE	0.00	-37 987 781.58	(16)
951/201	ADVANCES AND RESERVES	WATER EX EFF	0.00	0.00	Contra
951/202	ADVANCES AND RESERVES	WATER: STATUTORY FUND	4 878.56	0.00	(16)
951/203	ADVANCES AND RESERVES	WATER: NON DISTR. RESERVE	1 549 098.41	0.00	(16)
951/601	ADVANCES AND RESERVES	TS.DEV. EX EFF	0.00	0.00	
951/602	ADVANCES AND RESERVES	TS.DEV.CAPITALISATION RESERVE	0.00	-27 519.96	(15)
951/603	ADVANCES AND RESERVES	TS.DEV.GOVT.GRANT RESERVE	0.00	-73 993.40	(16)
951/901	ADVANCES AND RESERVES	HOUS.SELL.:EX EFF	0.00	0.00	
951/902	ADVANCES AND RESERVES	HOUS.SELL.:STATUTORY FUNDS	0.00	0.00	
951/903	ADVANCES AND RESERVES	HOUS.SELL.:NON DISTR.RESERVE	0.00	0.00	
951/920	ADVANCES AND RESERVES	HOUS.LETT.:EX EFF	0.00	0.00	
951/921	ADVANCES AND RESERVES	HOUS.LETT.:STATUTORY FUND	0.00	0.00	
951/922	ADVANCES AND RESERVES	HOUS.LETT.:NON DISTR.RESERVE	0.00	0.00	
			<b>1 553 976.97</b>	<b>-38 469 176.49</b>	
952/001	PROVISION FOR DEPRECIATION	R&G: EXTERN.FINANCE FUND	0.00	0.00	(1)
952/002	PROVISION FOR DEPRECIATION	R&G:CAPITALISATION RESERVE	0.00	0.00	(1)
952/003	PROVISION FOR DEPRECIATION	R&G:GOVT.GRANT RESERVE	0.00	0.00	(1)
952/004	PROVISION FOR DEPRECIATION	R & G:LEASE AGREEMENTS	0.00	0.00	
952/005	PROVISION FOR DEPRECIATION	R & G: REVENUE	0.00	-78 154 547.79	(1)
952/201	PROVISION FOR DEPRECIATION	WATER:EXTERNAL FUND	0.00	0.00	
952/202	PROVISION FOR DEPRECIATION	WATER: STATUTORY FUND	0.00	0.00	
952/203	PROVISION FOR DEPRECIATION	WATER: NON DISTR.RESERVE	0.00	0.00	(1)
952/204	PROVISION FOR DEPRECIATION	WATER: LEASE AGREEMENTS	0.00	0.00	
952/205	PROVISION FOR DEPRECIATION	WATER: REVENUE	0.00	0.00	
952/601	PROVISION FOR DEPRECIATION	TS.DEV.:EXTERNAL FUND	0.00	0.00	
952/602	PROVISION FOR DEPRECIATION	R&G:CAPITALISATION RESERVE	0.00	0.00	(1)
952/603	PROVISION FOR DEPRECIATION	TS DEV:GOVT.GRANT RESERVE	0.00	0.00	(1)
952/901	PROVISION FOR DEPRECIATION	HOUS.SELL.EXTERNAL FUND	0.00	0.00	
952/902	PROVISION FOR DEPRECIATION	HOUS.SELL.:STATUTORY FUND	0.00	0.00	
952/903	PROVISION FOR DEPRECIATION	HOUS.SELL.:NON DISTR.RESERVE	0.00	0.00	
952/921	PROVISION FOR DEPRECIATION	HOUS.LETT.:EXTERNAL FUND	0.00	0.00	
952/922	PROVISION FOR DEPRECIATION	HOUS.LETT.:STATUTORY FUND	0.00	0.00	
952/923	PROVISION FOR DEPRECIATION	HOUS.LETT.:NON DISTR.RESERVE	0.00	0.00	
			<b>0.00</b>	<b>-78 154 547.79</b>	
960/001	EXTERNAL FINANCING FUND	FIXED TERM LOANS	0.00	0.00	(9 & 12)
960/010	EXTERNAL FINANCING FUND	ANNUITY LOANS	0.00	-1 631 338.23	(9 & 12)
960/201	EXTERNAL FINANCING FUND	ADVANCE TO RATE&GENERAL	0.00	0.00	Contra
960/301	EXTERNAL FINANCING FUND	ADV. TO WATER	0.00	0.00	Contra
960/501	EXTERNAL FINANCING FUND	ADV. TO TS. DEVELOPMENT	0.00	0.00	
960/601	EXTERNAL FINANCING FUND	ADV. TO HOUS.SELLING	0.00	0.00	
960/621	EXTERNAL FINANCING FUND	ADV. TO HOUS. LETTING	0.00	0.00	
960/901	EXTERNAL FINANCING FUND	I & E: EXTERNAL INTEREST	0.00	0.00	
960/960	EXTERNAL FINANCING FUND	ADV. TO HOUS.SELLING	0.00	0.00	
			<b>0.00</b>	<b>-1 631 338.23</b>	
961/001	UNSPENT CAPITAL GRANTS	ACCUMULATED FUNDS	0.00	0.00	
961/002	UNSPENT CAPITAL GRANTS	GRANT MIG	0.00	0.00	(11)
961/010	UNSPENT CAPITAL GRANTS	GRANTS GENERAL	0.00	0.00	(11)
961/012	UNSPENT CAPITAL GRANTS	CMIP: ROADS	0.00	0.00	
961/013	UNSPENT CAPITAL GRANTS	CMIP: WATER	0.00	0.00	
961/014	UNSPENT CAPITAL GRANTS	CMIP: SANITATION	0.00	0.00	
961/015	UNSPENT CAPITAL GRANTS	CMIP: REFUSE	0.00	0.00	
961/016	UNSPENT CAPITAL GRANTS	PUBLIC CONTRIBUTIONS	0.00	0.00	
961/017	UNSPENT CAPITAL GRANTS	CMIP: CEMETERY	0.00	0.00	
961/018	UNSPENT CAPITAL GRANTS	CMIP OFFICE BUILDINGS	0.00	0.00	
961/019	UNSPENT CAPITAL GRANTS	CMIP FURNITURE	0.00	0.00	
961/020	UNSPENT CAPITAL GRANTS	GRANT:BASIC SERVICES	0.00	0.00	
961/021	UNSPENT CAPITAL GRANTS	KZNPA:COMPUTORS	0.00	0.00	
961/023	UNSPENT CAPITAL GRANTS	KZNPA: INTEGRATED DEV.PLAN	0.00	0.00	
961/024	UNSPENT CAPITAL GRANTS	CG CONDITIONAL GRANT	0.00	0.00	
961/025	UNSPENT CAPITAL GRANTS	FMG FINANCIAL MANAGEMENT GRANT	0.00	0.00	
961/026	UNSPENT CAPITAL GRANTS	MUN PROP RATES ACT	0.00	0.00	
961/027	UNSPENT CAPITAL GRANTS	MAP: MUN ASSISTANCE PROGRAMME	0.00	0.00	
961/030	UNSPENT CAPITAL GRANTS	EQUITABLE SHARE	0.00	0.00	
961/031	UNSPENT CAPITAL GRANTS	TRANSITIONAL GRANT	0.00	0.00	
961/032	UNSPENT CAPITAL GRANTS	CMIP NH COUNCIL CHAMBERS	0.00	0.00	
961/033	UNSPENT CAPITAL GRANTS	MSIG MUNIC. SYS INFRAS. GRANT	0.00	0.00	
961/050	UNSPENT CAPITAL GRANTS	DISTR.COUNCIL: GENERAL	0.00	-144 979.07	(11)
961/051	UNSPENT CAPITAL GRANTS	CG:PROPERTY RATES	0.00	0.00	

225 406 993.10

## Trial Balance 30 June 2017

Vote	Description	Description	Debits	Credits	Link to AFS
961/052	UNSPENT CAPITAL GRANTS	CG:MFMA	0.00	0.00	
961/053	UNSPENT CAPITAL GRANTS	CG:INTER DEPT GRANT	0.00	0.00	
961/054	UNSPENT CAPITAL GRANTS	CG:FRAUD PREVENTION	0.00	0.00	
961/055	UNSPENT CAPITAL GRANTS	CG:CDW	0.00	0.00	
961/056	UNSPENT CAPITAL GRANTS	CG:PLANNER GRANT	0.00	0.00	
961/057	UNSPENT CAPITAL GRANTS	CG:PMS/IDP	0.00	0.00	
961/058	UNSPENT CAPITAL GRANTS	DISTR.COUNCIL: TOURISM	0.00	0.00	
961/059	UNSPENT CAPITAL GRANTS	REGIONAL COUNCIL: CRECHE	0.00	0.00	
961/060	UNSPENT CAPITAL GRANTS	REGIONAL COUNCIL: CEMETERY	0.00	0.00	
961/061	UNSPENT CAPITAL GRANTS	REGIONAL COUNCIL: TAXI RANK	0.00	0.00	
961/062	UNSPENT CAPITAL GRANTS	GRANT - LED	0.00	0.00	
			<b>0.00</b>	<b>-144 979.07</b>	
962/001	LEASE AGREEMENTS	RATES AND GENERAL SERVICES	0.00	0.00	
962/201	LEASE AGREEMENTS	WATER	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
963/001	HOUSING DEVELOPMENT ACCOUNT	ACCUMULATED FUNDS	0.00	-1 080 164.02	(13)
963/002	HOUSING DEVELOPMENT ACCOUNT	CONTRIBUTIONS	123 884.22	0.00	(13)
963/003	HOUSING DEVELOPMENT ACCOUNT	INTEREST RECEIVED	0.00	0.00	
963/004	HOUSING DEVELOPMENT ACCOUNT	OTHER INCOME	2 891.88	0.00	(13)
963/005	HOUSING DEVELOPMENT ACCOUNT	SALES: SURPLUS/DEFICIT	0.00	-2 895 359.78	(13)
963/100	HOUSING DEVELOPMENT ACCOUNT	INSTALLMENT INTEREST	0.00	-1 350 234.49	(13)
963/200	HOUSING DEVELOPMENT ACCOUNT	INSTALLMENT SUBSIDY	2 413 543.41	0.00	(13)
963/300	HOUSING DEVELOPMENT ACCOUNT	DEBTOR - DEPT. OF HOUSING	165 331.61	0.00	(4)
			<b>2 705 651.12</b>	<b>-5 325 758.29</b>	
964/001	ASSET FINANCING FUND	ACCUMULATED FUNDS	0.00	0.00	
964/002	ASSET FINANCING FUND	CONTRIBUTIONS	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
976/004	RESERVES	LEAVE RESERVE:CONTRIBUTIONS	0.00	-2 896 429.20	(10)
976/005	RESERVES	LEAVE RESERVE:INTR. RECEIVED	0.00	0.00	
976/006	RESERVES	LEAVE RESERVE:EXPENDITURE	0.00	0.00	
976/007	RESERVES	VALUATIONS:CONTRIBUTIONS	0.00	0.00	
976/008	RESERVES	VALUATIONS:INTR.RECEIVED	0.00	0.00	
976/009	RESERVES	VALUATIONS: EXPENDITURE	0.00	0.00	
976/016	RESERVES	REPAIRS & MAINT: CONTR.	0.00	0.00	
976/017	RESERVES	REPAIRS & MAINTENANCE:INTR.	0.00	0.00	
976/018	RESERVES	REPAIRS & MAINTENANCE:EXPENDIT	0.00	0.00	
			<b>0.00</b>	<b>-2 896 429.20</b>	
977/001	PROVISIONS	AUDIT FEES:CONTRIBUTION	0.00	0.00	
977/002	PROVISIONS	AUDIT FEES:INTEREST RECEIVED	0.00	0.00	
977/003	PROVISIONS	AUDIT FEES: EXPENDITURE	0.00	0.00	
977/004	PROVISIONS	BAD DEBTS:CONTRIBUTION	0.00	-37 612 306.69	(3)
977/005	PROVISIONS	BAD DEBTS:INTEREST RECEIVED	0.00	0.00	(4)
977/006	PROVISIONS	BAD DEBTS: EXPENDITURE	0.00	0.00	(3)
977/010	PROVISIONS	RENTAL LOSSES: CONTR.	0.00	0.00	
977/011	PROVISIONS	RENTAL LOSSES: IN	0.00	0.00	
977/012	PROVISIONS	RENTAL LOSSES: EXPENDITURE	0.00	0.00	
977/013	PROVISIONS	SURP.& DEFICITS:CONTRIBUTION	0.00	0.00	
977/014	PROVISIONS	SURPLUS&DEFICIT:INTEREST RECEI	0.00	0.00	
977/015	PROVISIONS	SURPLUS&DEFICIT:EXPENDITURE	0.00	0.00	
			<b>0.00</b>	<b>-37 612 306.69</b>	
978/001	UNSPENT OPERATING GRANTS	SOCIAL EMPOWERMENT: COOL AIR	0.00	0.00	
978/002	UNSPENT OPERATING GRANTS	GRANT - FINANCE MANAGEMENT	0.00	0.00	
978/003	UNSPENT OPERATING GRANTS	MUN. SUPPORT PROGR.COOL AIR	0.00	0.00	
978/004	UNSPENT OPERATING GRANTS	GRANT - COMMUNITY PARTICIPATI	0.00	0.00	
978/005	UNSPENT OPERATING GRANTS	INDIGENT SUPPORT: COOL AIR	0.00	0.00	
978/006	UNSPENT OPERATING GRANTS	REMEDIAL WORK: COOL AIR	0.00	0.00	
978/007	UNSPENT OPERATING GRANTS	CREDITORS VARIOUS	0.00	0.00	
978/008	UNSPENT OPERATING GRANTS	INTERGRATED DEV PLAN	0.00	0.00	
978/009	UNSPENT OPERATING GRANTS	ASSIST. HOUSING:SUBSIDY	0.00	0.00	
978/010	UNSPENT OPERATING GRANTS	GRANT MAP	0.00	0.00	
978/011	UNSPENT OPERATING GRANTS	GRANT CCI	0.00	0.00	
978/012	UNSPENT OPERATING GRANTS	GRANT TOURISM	0.00	0.00	
978/013	UNSPENT OPERATING GRANTS	GRANT FMG	0.00	0.00	
978/014	UNSPENT OPERATING GRANTS	GRANT MSIG	0.00	0.00	
978/015	UNSPENT OPERATING GRANTS	GRANT HOUSING PLAN	0.00	0.00	
978/016	UNSPENT OPERATING GRANTS	GRANT DPLG	0.00	0.00	
978/100	UNSPENT OPERATING GRANTS	SUSPENSE	0.00	0.00	
978/200	UNSPENT OPERATING GRANTS	CASHBOOK:TRUSTFEED(TAKE ON)	0.00	0.00	
978/201	UNSPENT OPERATING GRANTS	CASHBOOK:ALBERT FALLS(TAKE ON)	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
979/001	DEPOSITS	CONSUMERS	0.00	0.00	(10)
979/002	DEPOSITS	SUNDRY	0.00	0.00	(10)
979/003	DEPOSITS	HOUSING	0.00	0.00	
979/050	DEPOSITS	RETENTION FEES	0.00	0.00	(10)
979/100	DEPOSITS	SECURITY DEPOSITS	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
981/001	STORES		0.00	0.00	
981/999	STORES	CONSIGNMENT	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
985/001	DEBTORS	RATES	30 367 294.39	0.00	(3)
985/002	DEBTORS	REFUSE REMOVAL	4 228 059.00	0.00	(3)
985/003	DEBTORS	SEWER	0.00	0.00	
985/004	DEBTORS	WATER	0.00	0.00	
985/005	DEBTORS		0.00	0.00	(3)
985/006	DEBTORS	ENCROACHMENTS	0.00	0.00	(3)
985/007	DEBTORS	STAFF HOUSING	0.00	0.00	
985/009	DEBTORS	SUNDRY	0.00	0.00	(3)



## Trial Balance 30 June 2017

Vote	Description	Description	Debits	Credits	Link to AFS
985/011	DEBTORS	DEPOSITS: WATER	0.00	0.00	(3)
985/012	DEBTORS	SUNDRY SERVICES	74 228 036.57	0.00	(3)
985/090	DEBTORS	STALL RENTAL	946 549.78	0.00	(3)
985/091	DEBTORS	HOUSING ACC.: SELLING	0.00	0.00	(3)
985/092	DEBTORS	LANDSALES	0.00	0.00	
985/093	DEBTORS	SUNDRY LOAN INSTALLMENT	0.00	0.00	(3)
985/094	DEBTORS		0.00	0.00	
985/990	DEBTORS	VOTE NOT FOUND	0.00	0.00	
985/991	DEBTORS	COMPUTOR DAY END ROUTINE	0.00	0.00	(3)
985/997	DEBTORS	VAT: CONSUMERS	0.00	0.00	(3)
985/998	DEBTORS	VAT SUNDRY DEBTORS	0.00	0.00	
			<b>109 769 939.74</b>	<b>0.00</b>	
986/001	SUNDRY LOANS	CAR LOANS	0.00	0.00	
986/002	SUNDRY LOANS	SEWER	0.00	0.00	
986/003	SUNDRY LOANS		0.00	0.00	(10)
986/006	SUNDRY LOANS	SALARIES: SUNDRIES	0.00	0.00	
986/100	SUNDRY LOANS	REPAYMENT AGREEMENTS	4 417 864.38	0.00	(3)
986/901	SUNDRY LOANS	HOUSING ACCOUNT: SELLING	0.00	0.00	(2 & 5)
			<b>4 417 864.38</b>	<b>0.00</b>	
990/001	INSURANCE CLAIMS		0.00	0.00	
990/002	INSURANCE CLAIMS	THEFT OF CASH	0.00	0.00	
			<b>0.00</b>	<b>0.00</b>	
991/001	SUSPENSE	VAT: INPUT	5 040 472.46	0.00	(6)
991/003	SUSPENSE	VAT: DEBTORS	0.00	0.00	(10)
991/004	SUSPENSE	VAT: OUTPUT	0.00	0.00	(6)
991/100	SUSPENSE	CONSUMER REFUNDS	381 293.96	0.00	(3)
991/150	SUSPENSE	DEBTORS: TRAFFIC FINES	24 878.08	0.00	
991/200	SUSPENSE	PRIOR YEAR ADJUSTMENTS	0.00	0.00	(17)
991/301	SUSPENSE	PETTY CASH R900.00	1 908.71	0.00	(8)
991/401	SUSPENSE	UNALLOCATED FUNDS	0.00	-2 162 060.67	(10)
991/500	SUSPENSE	DEBTORS ACCRUED INTEREST	17 162.69	0.00	(3)
991/600	SUSPENSE	CREDITORS	0.00	0.00	
991/701	SUSPENSE	Provision for Long Service Award	0.00	-520 463.27	(3)
991/801	SUSPENSE	THOKAZANI HOUSING	1 438 744.83	0.00	(4)
991/802	SUSPENSE	UMDM - WATER SERVICES	404 244.89	0.00	(4)
991/901	SUSPENSE	HOUSING ACC.: INSURANCE	0.00	0.00	
			<b>7 308 705.62</b>	<b>-2 682 523.94</b>	
996/001	CASH AND BANK	PETTY CASH	0.00	0.00	
996/002	CASH AND BANK	CASHIER NO.1	486.55	0.00	(8)
996/003	CASH AND BANK	CASHIER NO. 2	136.18	0.00	(8)
996/004	CASH AND BANK	CASHIER NO. 3	77.00	0.00	(8)
996/005	CASH AND BANK	CASHIER NO. 4	0.00	0.00	
996/006	CASH AND BANK	CASHIER: TRUST FEED	55.14	0.00	(8)
996/010	CASH AND BANK	IMPREST-TOGG	0.00	0.00	
996/999	CASH AND BANK	CASH BOOK	1 199 905.57	0.00	(8)
			<b>1 200 660.44</b>	<b>0.00</b>	
997/001	INVESTMENTS	LONG TERM	9 988 447.11	0.00	(7)
997/002	INVESTMENTS	SHORT TERM	0.00	0.00	
			<b>9 988 447.11</b>	<b>0.00</b>	
998/001	APPROPRIATION ACCOUNT	R & G: TRANSACTIONS	0.00	-78 101 311.88	(14 & 17)
998/002	APPROPRIATION ACCOUNT	R&G GENERAL	0.00	-103 217 457.81	(14 & 17)
998/201	APPROPRIATION ACCOUNT	WATER TRANSACTIONS	193 308.39	0.00	
998/202	APPROPRIATION ACCOUNT	WATER GENERAL	0.00	-18 213 102.66	
998/601	APPROPRIATION ACCOUNT	T/SHIP DEV.:TRANSACTIONS	0.00	-58 207 279.06	(14 & 17)
998/602	APPROPRIATION ACCOUNT	T/SHIP DEV.: GENERAL	4 055 719.06	0.00	(14 & 17)
998/901	APPROPRIATION ACCOUNT	HOUSING ACC.: TRANSACTIONS	0.00	0.00	
998/902	APPROPRIATION ACCOUNT	HOUSING ACCOUNT: GENERAL	0.00	0.00	
			<b>4 249 027.45</b>	<b>-257 739 151.41</b>	
999/001	CONTROL ACCOUNT	SALARY CONTROL	0.00	-1 195 004.30	(3)
999/002	CONTROL ACCOUNT	WAGES CONTROL	0.00	0.00	(3)
999/010	CONTROL ACCOUNT	PROJECTS	108 668.52	0.00	(4)
999/020	CONTROL ACCOUNT	VEHICLES	0.00	-13 237.62	(9 & 12)
999/100	CONTROL ACCOUNT	CREDITORS	0.00	0.00	(10)
999/110	CONTROL ACCOUNT	CREDITORS: STORES	0.00	0.00	
999/150	CONTROL ACCOUNT	EXP ACCRUED DBSA INTEREST	0.00	0.00	(10)
999/160	CONTROL ACCOUNT	Insurance Payment	0.00	-1 565 833.49	(4)
999/200	CONTROL ACCOUNT	CREDITOR PROVISION	0.00	-3 706 636.93	(10)
999/999	CONTROL ACCOUNT	CONTROL ACCOUNT	0.00	0.00	
			<b>108 668.52</b>	<b>-6 480 712.34</b>	
			<b>444 864 482.25</b>	<b>-431 136 923.45</b>	

13 727 558.80